



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

May 10, 2004

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina, Chair Pro Tem
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

David Sanders, Ph.D., Director
Department of Children and Family Services

Cynthia D. Banks, Chief Deputy Director
Department of Community and Senior Services

Thomas L. Garthwaite, M.D., Director and Chief Medical Officer
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Esther Torrez, Chair
Policy Roundtable for Child Care

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IMPACT OF REDUCED MONITORING BY THE CALIFORNIA DEPARTMENT OF SOCIAL SERVICES, COMMUNITY CARE LICENSING DIVISION

This memo is in response to the November 4, 2003 motion by Supervisor Knabe, requesting that the Chair of the Policy Roundtable for Child Care (Roundtable) and the Directors of Children and Family Services (DCFS), Community and Senior Services (DCSS), and Health Services (DHS), report every six months on the impact of reduced monitoring visits by the California Department of Social Services, Community Care Licensing Division (CCLD) on child care, foster homes, and facilities for the elderly and disabled adults. This motion also instructed the Chief Administrative Officer to keep the Board apprised of efforts to restore funding to CCLD.

CCLD licenses and monitors facilities for persons who cannot live alone, but do not need extensive medical services. These facilities include, child care, residential services for children, adoption and foster family agencies, and residential and day care services for adults and elderly persons. CCLD is charged with ensuring that facilities are operating in compliance with Title 22 of the California Code of Regulations, and does this by conducting unannounced facility inspections, investigating complaints, issuing deficiency notices, consulting with operators, and providing technical support. When licensees fail to protect the health, safety, and personal rights of the persons in their care, or are unwilling to comply with licensing regulations, CCLD can impose fines and civil penalties, hold non-compliance office conferences, and/or initiate administrative legal action.

RECENT POLICY CHANGES

The 2003-04 State Budget made the following two fundamental changes to the State's system for licensing community care facilities:

1. Reduced On-Site Monitoring

Prior to the adoption of the 2003-04 State Budget, CCLD conducted annual on-site monitoring of licensed foster family agencies, foster family homes, group homes, residential care facilities for persons with disabilities and the elderly, and child care centers. On-site monitoring of licensed family child care homes was conducted triennially.

According to CCLD, budget reductions implemented in the 1990's substantially reduced both the length and thoroughness of these inspections. As a result, the Department of Social Services proposed, and Legislature adopted through the Budget Act of 2003-04, a dramatically reduced schedule of on-site monitoring. Beginning in September 2003, annual visits were limited to:

- a. Facilities owned or operated by a licensee on probation, or against whom an accusation is pending;
- b. Facilities subject to a plan of compliance requiring an annual inspection;
- c. Facilities subject to an order to remove a person from the facility;
- d. Facilities that require an annual visit as a condition of Federal financial participation, such as those serving adults with developmental disabilities; and
- e. Specific types of facilities, including foster family agencies, adoption agencies, small family homes, adult residential facilities, residential facilities for the chronically ill, transitional housing placement programs, social rehabilitation facilities, and child care programs serving mildly ill children.

All other facilities must be monitored by CCLD at least once every five years. This schedule will be achieved through a process whereby ten percent of facilities will be randomly selected for inspection each year. In the event that CCLD documents a significant number of violations by facilities being inspected, an escalator clause in the legislation will trigger additional visits.

2. Licensing Fee Increases

In addition to significantly reducing the on-site monitoring by CCLD, the Budget Act of 2003:

- a. Established a new licensing fee for foster family agencies;
- b. Substantially increased other licensing fees; and
- c. Removed the cap that had limited licensing fees for child care operators managing multiple sites.

The new fees are expected to generate \$14 million per year, covering approximately 40 percent of the General Fund support for CCLD. In his mid-year budget proposal, Governor Schwarzenegger stated his intention to replace all General Fund support of CCLD with licensing fees. To achieve this goal, the Governor proposed aggressive fee increases over the next three years. Fees for the various licenses are described in the chart attached.

INTERSECTION OF CCLD AND COUNTY SERVICES

Four major types of County services are delivered through facilities licensed by CCLD: child welfare, child care, adult protective services, and health services for senior citizens. The relevant County entities for each of these types of services supplied the following descriptive information.

1. Department of Children and Family Services (DCFS)

As of March 2004, DCFS was responsible for the care and well-being of approximately 27,806 children in out-of-home placement. Twenty-three percent (23%) of these children are living in arrangements that are licensed and monitored by CCLD, including:

- a. 3,999 children in foster family homes;
- b. 222 children in small family homes; and
- c. 2,116 children in group homes.

In addition, 6,774 children are in homes that have been certified by foster family agencies. The 74 foster family agencies operating in the County of Los Angeles are licensed and monitored by CCLD.

CCLD will continue to conduct annual monitoring visits to foster family agencies and to small family homes, and will continue to respond to complaints in group homes, small family homes, and both licensed and certified foster homes.

All children in out-of-home placement must be visited at least once a month by a DCFS Social Worker. While these visits have been focused on the children, DCFS representatives believe they could be expanded to include some basic facility issues. In addition, the County Auditor-Controller operates the Children's Group Home Ombudsman, which serves as an advocate and problem-solver for children placed in group homes. Calls and e-mails from resident children can trigger an investigation and assistance in resolving issues. The Ombudsman also ensures that group homes comply with their program statements.

2. Policy Roundtable for Child Care (Roundtable)

The Roundtable is charged by your Board to serve as the official County body on all matters relating to child care services. Currently, there are 3,686 licensed child care centers and 11,334 licensed family child care homes in the County of Los Angeles. Combined, these facilities can provide care for over 303,000 children, ranging from six weeks to 13 years of age. While significant, this supply of care is estimated to meet less than 25 percent of the demand for child care in the County. Both DCFS and the

Department of Public Social Services administer large child care programs for their clients. However, the need for child care services extends far beyond these two target populations and includes thousands of parents who are employed, in school, or in training.

As noted earlier, CCLD monitoring of child care programs is designed to ensure compliance with Title 22 regulations. The Roundtable recognizes that these regulations represent the minimum standards below which no child care service should fall. With monitoring visits expected only once every five years, the Roundtable believes there is little incentive for child care programs to sustain compliance with even these minimal standards. At a March 11, 2004 hearing of Senate Budget Subcommittee Number 3, David Dodds, Deputy Director of CCLD, reported that in analyzing the first four months of data since implementing the reduced monitoring schedule, citations of child care facilities have increased by 5.6 percent.

While parents are in and out of child care settings on a daily basis as they drop-off and pick-up their children, they do not have the capacity to monitor the immunization records of enrolled children, the academic and criminal clearance records of staff, the depth of resilient surfacing in the playground, the number of staff in each age group at various points of the day, or the myriad of other factors CCLD is supposed to monitor and, which directly impact the health and safety of the children in care.

The Roundtable is also concerned that the doubling of child care licensing fees could deter the expansion of needed child care and development services.

3. Department of Community and Senior Services (DCSS)

DCSS administers the Adult Protective Services (APS) program. The primary mandate of this program is to investigate and report abuse or neglect of elders (age 65+) and dependent persons (age 18-64) who are living in their own homes. In 2002-03, APS received 18,818 reports of suspected abuse, neglect, and self-neglect.

APS contracts with 13 CCLD-licensed residential care facilities in the County to provide short-term emergency shelter services to APS clients who are in need of such services and whose conditions are appropriate for the level of care and supervision provided. These facilities are licensed by CCLD and will continue to receive annual monitoring visits from CCLD. Facilities that contract with APS are also subject to semi-annual site visits by APS program planning staff. These site visits include inspections of the residents' rooms, bathrooms, and kitchens, as well as interviews with residents and staff.

When CCLD closes a residential facility, APS staff are called upon to assist in the relocation of residents. During 2002-03, APS assisted CCLD with nine facility closures. Because adult residential care facilities will continue to receive annual monitoring visits from CCLD, APS program representatives do not anticipate significant changes in this area.

DCSS also contracts with the Wise Senior Services Long-Term Care Ombudsman Program (Ombudsman). Representatives of this program visit both licensed skilled nursing facilities and assisted living facilities (i.e., residential care facilities for the disabled and elderly). Since learning of the reduced monitoring by CCLD, the Ombudsman has increased their "unannounced" visits. The Ombudsman meets with

CCLD on a quarterly basis and is able to alert CCLD to any problems that have been identified during the quarter. The Ombudsman also submits quarterly reports to DCSS.

4. Department of Health Services (DHS)

The DHS Geriatric Special Services Unit coordinates information on the range of services available to senior citizens, including Adult Day Care and Adult Day Support Centers that are licensed by CCLD, and Adult Day Health Care Centers that are licensed by the California Department of Health Services. According to CCLD, there are currently 1,278 licensed residential facilities for adults and 178 adult day care centers operating in the County of Los Angeles.

IMPACT ON COUNTY SERVICES

While it is too early to assess the overall impact of reduced monitoring on services offered by facilities holding Community Care Licenses, the 5.6 percent increase in citations among child care programs randomly selected for on-site monitoring during the last quarter of 2003, is cause for concern. The Roundtable is working with CCLD to track both the citations issued to existing programs and the number of new licenses that will be granted in the coming months.

Representatives of DCFS and Auditor-Controller recently met with CCLD to discuss reduced monitoring of foster care settings. The participants agreed to establish quarterly meetings and to take a team approach to identifying and addressing quality of care gaps. DCFS is also planning to provide additional training for staff to enhance their ability to recognize and address potential quality, safety, and facility issues in the homes of caregivers.

DCFS is also in the process of developing a Contract Management System, pending the availability of resources, designed to enhance monitoring of group home and foster family agency contracts on their achieving performance outcomes and reducing the incidents of abuse and neglect.

While residential programs will continue to receive annual monitoring visits from CCLD, APS/DCSS will continue to track the number of such facility closures in the future.

EFFORTS TO RESTORE CCLD FUNDING

No legislation is currently pending that would restore annual monitoring visits to facilities monitored by CCLD. However, two Assembly Bills have been introduced, which address related issues:

1. **AB 1849**, by Assembly Member Nation, would require the California Department of Education to transfer funding to CCLD, equal to the cost of licensing fees for State-contracted child development programs; and
2. **AB 72**, by Assembly Member Bates, would prohibit child care Resource and Referral agencies from referring parents to programs with a licensing revocation, temporary suspension, or placement on probation by CCLD. In addition, AB 72 would prohibit Alternative Payment Program agencies from subsidizing care in these facilities.

NEXT REPORT

The Roundtable, CAO; DCFS; DCSS; and DHS will update your Board again on the status of reduced monitoring by CCLD in November 2004.

If you or your staff have any questions or need further information, please call Kathleen Malaske-Samu, Director of the Office of Child Care, within the Service Integration Branch of the Chief Administrative Office, at (213) 974-2440.

DEJ:ET
KMS:sg

Attachment

c: Colleen Anderson, Manager, Los Angeles Regional Office, Community Care Licensing Division
Cagle Moore, Assistant Program Administrator, Community Care Licensing Division

**Facilities Licensed by California Department of Social Services, Community Care Licensing:
Annual Fee Increases 2003-2007**

	NUMBER OF FACILITIES IN COUNTY	PERCENT OF FACILITIES IN STATE	ANNUAL LICENSING FEES			
			Prior Fees (2002-03)	Current Fees (2003-04)	Proposed Fees (2006-07)	Increase (2003- 2007)
<i>Children's Residential Facilities</i>						
Foster Family Homes	3,840	31%	\$300	\$375	\$475	\$175
Group Homes	382	21%	\$300 - \$750	\$375 - \$938	\$475 - \$975 ⁺	\$175 - \$225 ⁺
Small Family Homes	126	32%	\$300	\$375	\$475	\$175
Foster Family Agencies (FFAs)	74	25%	\$1,000	\$1,250	\$2,500	\$1,500
Homes Certified by FFAs	5,129	37%	n/a	plus \$80/home n/a	plus \$80/home n/a	n/a
<i>Child Care Facilities</i>						
Child Care Centers	3,686	25%	\$100 - \$500 [^]	\$200 - \$1,000 [^]	\$400 - \$2,000 [^]	\$300 - \$1,500
Family Child Care Homes	11,334	24%	\$25 - \$30	\$50 - \$100	\$100 - \$200	\$75 - \$170
<i>Adult Services Facilities</i>						
Adult Residential Care Facilities	1,278	25%	\$300 - \$750	\$375 - \$938	\$475 - \$975 ⁺	\$175 - \$225 ⁺
Residential Care for Elderly	1,343	19%	\$300 - \$750	\$375 - \$938	\$475 - \$975 ⁺	\$175 - \$225 ⁺
Social Rehabilitation Facilities	9	12%	\$300 - \$750	\$375 - \$938	\$475 - \$975 ⁺	\$175 - \$225 ⁺
Adult Day Care and Support Centers	178	23%	\$50 - \$500	\$75 - \$625	Unavailable	Unavailable
Residential Care for Chronically III	12	48%	\$200 - \$350, plus \$8/bed	\$250 - \$438 plus \$10/bed	Unavailable	Unavailable
Total Number of Facilities in County 2,820						

Notes:

Number of children's residential and adult services facilities in the County of Los Angeles based on data from the CCLD Web Site reported as of May 2004. Child care facility count is based on January 2004 data from CCLD.

Some fees are represented as ranges because actual fee amounts depend on facility size.

[^] Prior to the 2003-04 Budget, the fees for child care centers operating more than one site were capped at \$1,000.

⁺ Projected 2006-07 data was unavailable for the top of the range for some types of facilities.